



Board Agenda Item 35

DATE: August 6, 2019

TO: Board of Supervisors

SUBMITTED BY: Robert W. Bash, Director, Internal Services/Chief Information Officer

SUBJECT: Second Hearing and Adoption of Amendment to Master Schedule of Fees, Charges and Recovered Costs - ISD-Information Technology

RECOMMENDED ACTION(S):

Conduct second hearing on and adopt an Ordinance to amend the Master Schedule of Fees, Charges, and Recovered Costs Ordinance, by deleting Subsections 4301, 4324, and 4325, and updating Subsections 4302-4315, 4317, 4319-4323, and 4326-4329 of Section 4300-Information Technology Services, and waive the reading of the Ordinance in its entirety.

Approval of the recommended action will revise the Master Schedule of Fees, Charges, and Recovered Costs (MSF) Ordinance to allow the Internal Services Department (ISD), Information Technology Division, to recover the costs of ISD staff for certain information technology services and PeopleSoft operations provided to County departments and other public agencies. This item is countywide.

ALTERNATIVE ACTION(S):

Your Board may direct staff to use current fees or propose alternative fees, which may not recover full costs of services.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. Charging the proposed rates for services rendered to County departments and other public agencies will result in a portion of the revenues needed to operate two separate Internal Service Funds (ISF) for FY 2019-20. Those funds are:

Fund 1020, Information Technology Services, Org 8905-8908
Fund 1030, PeopleSoft Operations, Org 8933

DISCUSSION:

On July 9, your Board conducted the first hearing on the recommended updates to the Master Schedule of Fees for Section 4300 - Information Technology, as summarized in Exhibit A. The rates under discussion were established by estimating the annual operating costs of the components of each of the respective services, and then dividing those costs by the projected usage of all customers. The rates indicated are for services utilized by both internal and external customers and make up a portion of the total revenues collected by the ISFs.

The recommended amendment to the Ordinance, if adopted by your Board, would update rates for subsections 4302 through and including 4315, 4317, 4319 through and including 4323, and 4326 through

and including 4329. Subsections 4301, 4324, and 4325 are recommended for deletion, as these rates are consolidated into one and included in subsection 4302, Telecom Network Connection.

Below is a summary of events that lead to changes from prior year rates to the proposed:

- Decreased rates in the Enterprise base, due to Office 365 and Cloud hosting services.
- Increased rates in Telecom-Network Connection, due to combining the Telephone Desktop, Hardware, Conference Phones, and SIP Trunking rates.
- Increased rates to Pager Service, as reductions in total units in use increased unit costs.
- Increased labor rates, due to increases in staffing costs.

The recommended rates, including their calculation, and methodology applied for cost recovery have been reviewed and approved by the Auditor-Controller/Treasurer-Tax collector. If adopted by your Board, the recommended rates will take effect September 5, 2019.

REFERENCE MATERIAL:

BAI #9, July 9, 2019

ATTACHMENTS INCLUDED AND/OR ON FILE:

Exhibit A
Ordinance

CAO ANALYST:

Yussel Zalapa